

**INDEPENDENT  
ACCOUNTANT'S AUDIT REPORT  
SOUTHEAST OKLAHOMA LIBRARY SYSTEM**

**JUNE 30, 2020**

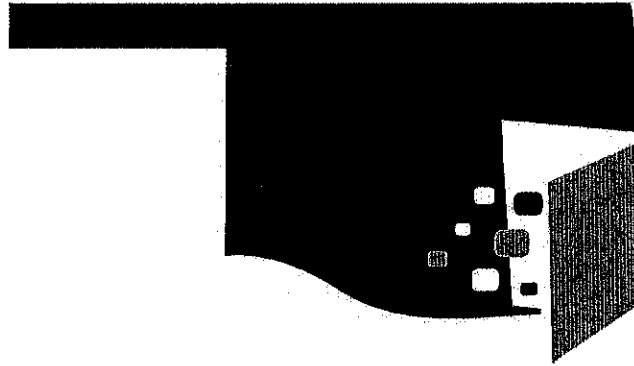
BY



**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Year Ended June 30, 2020**

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# **SOUTHEAST OKLAHOMA LIBRARY SYSTEM**

Prepared by  
Michael Hull, Executive Director

Management's Discussion and Analysis  
Southeast Oklahoma Library System  
For Fiscal Year Ending June 30, 2020

August 21, 2020

Introduction

When we think back on FY 2020, we will think first and foremost of the COVID-19 pandemic that dominated headlines and practically shut down the entire country. Our library system did not remain unaffected. We shuttered all services and sent staff home with administrative pay the entire month of April. Since the return of staff in May, hours and service have remained limited.

Despite the pandemic, the library system has thrived and found ways to grow. Last July the Board's lawsuit stemming from catastrophic losses in Poteau in May of 2017 was settled. Only days later, we found an amazing successor for June Doyle, who was retiring from the role of Technical Services Librarian after 40 years of service. As fall started, we conducted a campaign study in McAlester that transformed how we view our role in the community. By midyear we finally installed Jo Hunt as full-time HR officer. Most significantly, this spring the Board approved a new logo and a name change for the system with both becoming effective July 1<sup>st</sup>. To top it all off, throughout the year staff at all levels of the organization began to buy into and begin working on the recently updated Long Range Plan with great fervor and excitement. Financially, and despite the pandemic that swept the country, the library system ended this year stronger than it started.

In all, FY 2020 was a good year for the library system. Few organizations did not experience losses or find themselves forced to consider staff cuts of some kind, let alone experience the kind of growth we have seen. Still, we faced ourselves faced with an unprecedented challenge. The Coal County Commissioners discussed the possibility of placing on November 2020's ballot a reduction of the library's millage. I and several trustees have been in communication with the commissioners to educate them on how library funds are spent and discussed ways in which services could be increased in Coal County. These talks continue to be a work in progress that could negatively impact the organization if not properly handled and resolved as we move forward.

I want to express both appreciation and gratitude to the Board of Trustees for the opportunity to continue serving them and this growing organization. The following pages will expand upon the developments I have summarized in this introduction. I hope you will find as much encouragement in reading through these developments as I found writing about them.

Respectfully,

Michael Hull, Executive Director

## **Governance**

At the end of FY 2019, nearly half of our trustees either termed out or decided not to serve their second term on the library system board. Given the scant turnover the prior two years, we found ourselves with a learning curve this past year as we learned new names and faces.

I hope our rookie trustees enjoyed their first year and appreciate what they helped accomplish. I want to thank them for their patience as I learned their communication preferences and assure them that they will feel more at home as year two of their term starts.

I continue to brag everywhere I go about the working board we have. I can tell that trustees read their board packets, participate in committee meetings, and put care and consideration into their votes. Our board is truly the backbone by which we accomplish everything, and I appreciate each and every one.

At the end of the year, we lost two trustees who had been serving longer than I have worked here. Maryellen Mooney of Latimer County even served on the committee that interviewed me five years ago. Kay Warren of Wilburton has faithfully signed checks for us every two weeks. I personally will greatly miss having both of them as a part of this organization. Their wisdom and leadership have been crucial in my development as a director and in the growth of this organization.

Fiscal Year 2020 Trustees were as follows:

<u>Board Member</u>	<u>Represents</u>	<u>Location</u>
Carol Burgess	City	Arkoma
Paulette LaGasse	City	Broken Bow
Martha Gann	County	Choctaw
Joe Pasqualie	County	Coal
Joanne Verbridge	City	Coalgate
Cindy Munn	City	Hartshorne
Terri Moss	County	Haskell
Ron Evans	City	Heavener
Miriam Costilow	City	Hugo
Tina Thomas	City	Idabel
Maryellen Mooney	County	Latimer
Elise Mitchell	County	LeFlore
Steve Harrison	City	McAlester
Betty Pollard	County	McCurtain
Jayna Santine	County	Pittsburg
Sarma Retchloff	City	Poteau
Les Silka	City	Spiro
Don Holt	City	Stigler
Richard Marrow	City	Talihina
Marty Henson	City	Valliant
Kay Warren	City	Wilburton
Steve Bryant	City	Wister

## **FY 2020 Activities and Services in Review**

The great accomplishments of this past year would not have occurred without the stellar leadership team surrounding me. Each of them has more than proven very deserving of the trust and responsibilities placed on them during these trying times. In addition to their leadership during the pandemic, this group kept the gears of the library system rolling when I had to suddenly take time off to deal with my father's passing in late January and early February. It is truly an honor to serve with them.

Also referred to as my admin team, this group consists of Administrative Manager Rhonda Tidwell, Regional Supervisors Linda Potts and Leslie Langley, Technical Services Librarian Miranda Wisor, Human Resources Officer Jo Hunt, and McAlester Manager Ellen Barlow.

I would be very remiss not to spotlight Charlene McDonald, who has been keeping our books accurate and bills paid for over thirty years. Charlene possesses the fabled memory of an elephant and is tireless in all she does for me and Administrative Manager Rhonda Tidwell.

### **Poteau Lawsuit**

We began the year trying to resolve the lawsuit filed by the library system against remediation specialists who helped clean the library after a sewage backup in May 2017 and contractors who worked on or helped design the library, which opened in 2014. We attempted mediation during a ten-hour board meeting in early July that ended with no resolution and much frustration. Days later the mediator contacted us with an offer he was proposing to all parties. The Board accepted the terms in late July, as did all other parties. After the attorney fees, we received \$119,000 that the Board allocated between more materials and more furniture for the Patrick Lynch Library in Poteau.

### **Name and Logo Change**

Last fall we engaged a marketing firm to update our logo and create a library branding guide. In the course of the designer's work, I received a staggering surprise when she recommended a name change for the system. I have known since I arrived here five years ago that Southeastern Public Library System of Oklahoma (SEPLSO) is awkward, cumbersome, and confusing, but I was yet unprepared for this concept. In the fall the design firm presented the logo and name change to the Board of Trustees, and in the spring the Board approved both the new logo and the changing of the library system's name to Southeast Oklahoma Library System (SEOLS) effective July 1, 2020.

Accompanying this change in identity, the Board also considered bids to update the library website. The new website will launch in October 2020, and currently a staff committee led by Customer Experience Officer Kameran Huggins meets weekly with the Board-selected developer on site design.

Because the pandemic shut down most of our summer reading program and continuing education events, I reallocated funds toward the replacement of items with our logo, allowing us to discard most items that containing the old SEPLSO logo and replacing them with SEOLS versions. The transition, which normally may have taken months, happened almost overnight.

## **McAlester Campaign Study**

My largest time-consuming task in the first half of FY 2020 was the McAlester campaign study. Last year the Board agreed to hire the firm Byrne + Pelofsky to conduct a study and create an assessment of the feasibility of raising funds and support for a new or remodeled McAlester Public Library. I helped arrange several interviews with community leaders and worked with the McAlester Friends of the Library to contract concept designs for potential construction projects. I sat in on the majority of the interviews with the community leaders, and what I learned about how the community perceives the library opened my eyes.

We boast about the importance and value of the services we provide, proud that we offer services for all demographics. Unfortunately, the overwhelming number of people we interviewed viewed the library as only a resource of interest for children and the underprivileged. The good news is that after talking with each person about our vision of 21<sup>st</sup> century libraries, they all believed in the need for an updated library facility. Still, the experience left me with three takeaways.

- 1) We have to market ourselves better. We do indeed have services that interest citizens, but we have not done an effective job informing them.
- 2) We must update our facilities to reflect a modern, 21<sup>st</sup> century library. A 21<sup>st</sup> century library serves as a community gathering place and a facility that a community is proud represents them. Libraries should be clean and inviting, and instead of focusing on a technology hundreds of years old (books), the emphasis upon entry should be on a combination of new technology and community history. Citizens should find ample seating and gathering space for families, friends, or business persons.
- 3) We have to stop assuming that the community will love something just because it excites us and learn to listen to our citizens. Too often we have invested in expensive databases or equipment because it sparks our interest, only to find that the community does not care. For example, for years we provided an automobile repair guide database that, though it cost several thousands of dollars, never received any use.

The lessons learned through this study will pay dividends at all SEOLS libraries as we tackle floor plans, update furniture, and plan programs. Updating our logo and website have made for a good start, but until we update the appearance of every library, we will struggle to communicate our true value to our communities.

As for the progress of the McAlester library campaign, it screeched to a halt when the pandemic hit Oklahoma. Currently we plan to restart discussions with the campaign steering committee this fall and hope that some plans for moving forward with a remodel of some kind can be finalized in fiscal year 2021.

## **Buildings and Facilities**

### Spiro

The week of Halloween 2019 we received quite the scare from Spiro Public Library. The Spiro library building has 3 levels of roof and is 110 years old. Near the entrance, part of one of the

interior roofs, consisting of mortar, collapsed. Thankfully, no one was in the building at the time, so no injuries occurred. And other than a few shelves being banged up, no library property was damaged. Not wishing to push our luck, we immediately closed the library and informed the City of Spiro about the issue. Wanting to ensure that the library system had no liability if the repair was not conducted properly, we then paid an independent building inspector to inspect the building and its ancillary meeting room. These inspections included not only the roof, but the entire building. This report identified several problems regarding staff safety that the library system board insisted be addressed. Thanks to new trustee Les Silka, we effectively communicated these needs to the city and they gladly and quickly addressed the issues.

### McAlester

In McAlester, we removed the large service desk from the center of the main floor to an area in front of the staff work room. No longer do staff find customers approaching them from behind, and they can better observe customers entering from either entrance. With the space opened by the move, the public computers now occupy less space and media shelves were spread out to create a more open floor space. For such a simple move, it drastically changed the feel of the library to one more in keeping with the spirit of 21<sup>st</sup> century library.

### **Long Range Plan**

By the end of FY 2019 the library system had a new long-range plan with a new format. It took longer than hoped, but by the end of the calendar year each task within the plan had been assigned a team to work on it. These teams consisted of staff from all levels of the library system, and we based selection of teams based on the stated interests of staff. Whenever possible, we assigned leadership of teams to non-managers. To my great surprise, we had accomplished something I had never thought possible: staff from all levels of the organization not only knew about the company's long-range plan, they had embraced it with enthusiasm.

These teams had only been working on their tasks for a couple months when the coronavirus pandemic started and progress on these tasks ceased as the world shut down. With library services currently reduced and no clear return of service in sight, no work on the tasks has resumed.

### **Staff**

#### Technical Services Librarian

Technical Services Librarian June Doyle served this library system for forty years. Quiet and unassuming, she ran the department of the library least seen, yet most vital to the library's core services. Thankfully, June gave us several months' notice of her retirement, giving us adequate time to search for her successor. The Technical Services Librarian position is our only position, other than Executive Director, that requires a Master of Library Science (MLS). Despite the obstacles to attracting qualified MLS-degreed candidates to rural Oklahoma, our job search led us to Miranda Wisor, a candidate from Gettysburg, PA with fifteen years of experience in multiple levels of library work and just completing her MLS. Miranda joined us in October and had the opportunity to work three months side-by-side with June before taking over the reins of the department. Her hire has proven to be every bit the home run hit we believed it to be when we offered her the position.



We made many changes to our workflows as Miranda settled in, most notably in selection of materials. For many years local managers had controlled selection of materials for their library. Although it may seem like a local staff would possess greater familiarity with customer interests, instead a bias of what local staff feel their favorite customers' interests to be develops and a collection becomes skewed. Over the past several years, over 60% of the books purchased in most SEOLS libraries did not circulate once. Miranda's skillset allowed us to centralize selection of all materials. Miranda is a natural team player, however, and the system of centralized selection she employs uses staff committees to make selections by genre. We hand pick committee members to ensure their interest and skill set meet the needs of the job.

Under Miranda's guidance, we have also conducted intensive weeding projects, inventoried the collection, and more. Staff have embraced her and the changes she has brought. It has been a pleasure of mine to introduce her to our many colleagues throughout the state, and an honor to know that she represents us professionally.

When Miranda assumed the reigns of the department, June Doyle transitioned to a part-time cataloger. Performing her work from home, this has helped her transition to retirement and is currently helping us to clean up bibliographic records in anticipation of integrated library system migration within the next year.

#### Human Resources Officer

My first hire, way back at the end of 2015, was Jo Hunt as manager of the Patrick Lynch Library in Poteau. Beyond being the best candidate for the job, Jo's Master's in Human Resources and background in human resources and leadership struck as me as vital components our library system lacked at the time and traits we could tap into for the system's good. Within her first year, after I became more acquainted with Jo's skill and personality, I promoted her to a combination of Poteau manager and Human Resources Advisor. Financially, we could not yet absorb the cost of full-time human resources, and we honestly had little human resources structure in which to throw someone yet. Over the years, as I established a human resources framework, our need for a dedicated human resources officer grew. We have gone from sixty-three employees to eighty-five, and my duties do not allow me to give human resources the attention they deserve.

In January 2020, I promoted Jo to full-time Human Resources Officer and moved Regional Manager Leslie Langley to Poteau to absorb it into her region. In hindsight, the moves seem very prescient as various laws and regulations pertaining to COVID-19 have required a dedicated human resources manager. In addition to COVID-related matters that should subside in time, Jo's new focus on human resources has improved our trainings, placed an emphasis on staff training and support when we take disciplinary action, and lightened my and Administrative Manager Rhonda Tidwell's workloads.

Jo continues to office out of Poteau in her full-time human resources role quite effectively.

#### Spiro Library Manager

We know people inevitably retire, but that knowledge does not lessen the sadness we feel when a long-time team member begins their next journey. In November 2019, after 27 years Glenda

Stokes retired from her position of Spiro Library Manager. We quickly promoted her assistant, Shannon Elder, to the vacant position. Shannon is doing a fantastic job taking the foundation laid by Glenda and invigorating a new energy into the library.

#### COVID Related Reassignments

As we prepared to return staff from their administrative leave in May, we realized the COVID world we now live in would require changes, at least temporary, to some of our job assignments. Programs would have to go virtual. Marketing and outreach would take on more vital roles in communicating that we are open and what services are available. Fortunately, our reduced services meant we have ample staff in all locations and allowed us to identify existing staff who could meet these needs and assign to them new job duties.

- 1) Kameran Huggins, Consumer Technology Coordinator and Stigler Library manager relinquished his library manager duties to accept a reassignment as Consumer Experience Officer. His new duties incorporated his existing technology role and added marketing, outreach, and program coordination. With the logo and website change, this change came at a perfect time to allow him to spend the time necessary to those tasks. He supervises the Programs Librarian, Outreach Librarian, and Information Resources Librarian. We expect to make this reassignment permanent as we have needed someone to coordinate these various departments for some time.
- 2) Tracy Allred, Stigler Assistant Library Manager stepped into the interim Stigler Library manager position. Tracy has proven herself manager material, and we hope to retain Tracy in this position if we do retain Kameran Huggins in his interim position.
- 3) Ryan Ward, Poteau Library Assistant possesses some amazing technology skills, especially with video creation. We split his time between the Poteau library and working with Kameran and Mary Michelle, the programs librarian, to produce virtual programming content. Although we do not foresee taking Ryan away from his Poteau duties, we hope to continue his work with video content beyond the current crisis.
- 4) For several years Linda Haile has split her time as a Technical Services Aide and a McAlester Library Assistant. In order to better and more quickly process a massive influx of materials, we temporarily transferred Linda full-time to technical services. In July she resumed her split duties.

#### **Other COVID Related Responses**

During the first few months of the pandemic, recommendations from the CDC and health departments changed daily. Some days, it truly felt like we barely had a grip on the tiger's tail. Thankfully, what we know about the COVID-19 virus has evolved and recommendations from the CDC and other entities are more constant and consistent with one another.

#### Closures

As stated earlier, we close all libraries the entire month of April. Administrative Manager Rhonda Tidwell and I continued to work half days in order to ensure business needs were met, and the administrative team worked some from home. We reopened in May with curbside service only, gradually leading to reopening the doors. Since then, we have monitored the situation and responded based on the number of currently active cases. In June, outbreaks in McCurtain County led to the temporary closure of all services save parking lot Wi-Fi in

McCurtain County Libraries (Broken Bow, Idabel, and Valliant). We continue to monitor the situation closely and I am resolved to issue closures again if it should seem to be in the best interest of keeping staff and the public safe.

#### Reduced Services

As an employer, our first duty and priority must be the safety and protection of our staff. This responsibility has never conflicted more with our desire to provide value and return to our taxpayers than during this pandemic. As much as we would like to operate our libraries and provide services as normal, and despite how greatly some members of the public want the same, doing so during this pandemic would expose us to severe liabilities should an employee contract the virus due to exposure at work. So, when our libraries reopened, they did so with greatly reduced services. We reduced our hours at every location with all libraries closing by 6:00 pm and no library opening on Saturdays. We limit how many people may enter the library at one time based on occupancy standards issued by the CDC and allow only 30 minutes for browsing. Every other public computer has been removed to allow six feet between users. The remaining computers allow only 30 minutes' use per day for any customer. We also removed all seating and closed meeting rooms and bathrooms to eliminate groups and lingering, which increases transmission rates. We will reduce these restrictions gradually as soon as we feel it is safe to do so.

#### Virtual and Take-Out Programs

Our restrictions on meeting rooms, gatherings, and occupancy meant we could not offer our traditional programming this year. This broke our hearts as summer is our time to shine and bring large numbers of families into the library, and children truly need the continued learning and stimulation reading provides during summer break. Making the best of the situation, we purchased equipment to create quality video content and began creating centralized virtual programs. These virtual programs include story times in English and Spanish, STEM activities, and guitar lessons.

Locally, staff created take out programming that consisted of packets of activities customers could pick up for their families to take home. With families starved for activities and entertainment, these packets proved very popular.

#### FFCRA and Other Employee Issues

In March congress passed the Families First Coronavirus Response Act (FFCRA). This law included certain protections for employees when they or a family member is affected by COVID-19. The first major protection provides up to two weeks of protected sick time when an employee or immediate family member contracts COVID-19 or has been ordered by a health professional or agency to quarantine. We have had a few employees use this time, but with only two weeks available, the effect on operations has been minimal. More noticeable is Expanded Family and Medical Leave Act (FMLA) time. Expanded FMLA time provides protected 12 weeks of protected time specifically to employees with loss of childcare due to school and daycare closures. Expanded FMLA has the potential to cause disruptions due to the length of time it provides, but we have currently had very few employees request it. Fiscally, we benefit when employees take time off under this act as we receive the majority of pay taken for these causes as tax credits. As schools start in the fall, we do anticipate greater use of these provisions.

We do require all employees to wear face coverings. The only exceptions being employees with private offices while they are in those offices. I have allowed employees to submit receipts for reimbursement up to \$20 for the purchase of their face coverings. Staff must also maintain appropriate social distancing from all other persons while on the clock. All non-essential travel has been placed on hold, and we host most staff meetings virtually.

#### Board Meetings

The safety precautions needed to meet in person forced us to cancel our March board meeting. Thankfully, the Oklahoma legislature quickly passed a temporary amendment to the Open Meetings Act that now allows the Board to meet virtually. We have had only minor technical issues with virtual meetings. The amendments to the act are set to expire, but hopefully the legislature will retain some components of the temporary amendment. At the least, we hope that the temporary amendments will receive extensions until this crisis passes.

### **Updates and Additions to Policies**

This felt like a quiet year for policy changes. In my prior years, we seemed to tackle 2-3 policies each meeting. Of course, we have had plenty of other events and crisis to occupy our time instead.

#### Updated: Fees and Charges Policy

We removed limits on faxing and color printing.

#### Updated: Social Networking Activities Policy

We retitled this as our Social Media Activities Policy. All language indicating, we were trying to monitor and govern personal social media activity by customers or staff was removed. We added language to clarify that this policy governs the content of library system-owned social media.

#### Added: Public Services Policy

This one policy consolidated and replaced several other policies related to services we provide the public. The included policies were Microfilm Reader/Printer, Photocopies: Copy Machines, Fax Service, Scanning, Bulletin Board, Computer Training Lab, Distribution of Free Materials, Exhibits and Displays, 3D Printing, Interlibrary/Interbranch, and Photocopies: Interlibrary Loan and Reference. We used this opportunity to update language to reflect current practices.

#### Updated: Funds Management and Investment Policy

We clarified that investments must be placed in banks located within the United States.

### **Continuing Education**

#### Cancelled and Postponed Events

We found ourselves forced to cancel our all-staff spring in-service due to the COVID-19 pandemic. This disappointed many staff as they greatly enjoyed the conference-like experience we provided the prior year. The Oklahoma Library Association cancelled its April in-person conference to which we send all managers in favor of a virtual conference

that occurred in July. The annual American Library Association conference I and Technical Services Librarian Miranda Wisor had planned to attend was completely cancelled.

#### MPLA Conference

We were able to take a sizeable group of managers to the Mountain Plains Library Association conference in November. This year's conference, held in Albuquerque, was relatively small, but our staff stated that they learned much and gathered great ideas for our local libraries.

#### PLA Conference

Only weeks before the pandemic shut travel down, I and about half of our managers attended the bi-annual Public Library Association conference in Nashville.

### **Inventory and Capital Replacement Plan**

We completed our inventory with our new software, but the pandemic derailed our plans to present a system-wide capital replacement plan in the spring. Now that we are seeing a stabilization of the economy and a clear picture of our cash flow, we hope to present a capital replacement plan to the board in spring of 2021.

### **Digital Transition**

The closures and hardships of the COVID-19 pandemic forced many customers into digital consumption of their information. Use of our downloadable content increased by 8,000 transactions (14.70%) over Fiscal Year 2019. That increase is more than some of our libraries circulate in an entire year. Besides being the only way many citizens can use the library since spring, we expect a large number of customers to adopt digital as their preferred method of reading due to its convenience. At the least, our reduced hours and the continuing shadow of the pandemic will push a large number of our users to continue consuming our content digitally. Libraries should embrace this trend and accept that this pandemic has changed the landscape of how people read. The FY 2021 budget included a substantial increase for downloadable content and an equivalent decrease in physical materials.

### **County Equity**

This past year the county commissioners of Coal County spoke up publicly about their concerns with how we spend money within their county. They have even discussed the possibility of placing on the November 2020 ballot a measure to reduce the library's millage rate in Coal County. I met with the commissioners in their March meeting to hear their concerns. Even though the numbers they considered did not include administrative overhead and the steep discounts we receive on shared expenses, their concerns are very valid. Over the past several years, our millage collection in Coal County has risen strongly while expenses have remained flat. While it not practical or reasonable to keep income and expenses perfectly flat at the county level, the amount of services received by Coal County has become disproportionate to the amount of taxes they pay.

A greater look at the numbers shows inequity in two other counties. Pittsburg County, the largest in our system, has for several years received significantly less service in contrast with millage collected. LeFlore County, on the other hand, has long consumed far more in services than it receives in millage. LeFlore County hosts six SEOLS libraries, more than double any other county (McCurain with three). Our remaining four counties typically operate within \$50,000 of their collected millage.

I discussed these concerns with Board leadership and then with the entire Board. There was a consensus that the root problem of county equity must be addressed; services must increase in Coal and Pittsburg Counties while making strategic reductions to LeFlore County expenses over the coming years.

This is an issue that will follow us into Fiscal Year 2021 and beyond. To date, the Board has approved a resolution to increase services in Coal County by updating Coalgate library furniture, considering placement of a service outlet with a staff member in Tupelo, and considering the addition of a bookmobile. In the fall of 2020 the Board will consider plans for expanding services in Pittsburg County and making reductions in LeFlore County.

## **Financial Discussion and Analysis of Fiscal Year 2020\***

Most non-profit and governmental entities suffered greatly due to this year's pandemic. City and County offices issued mass furloughs, eliminated positions, and reduced employee pay and benefits. Fortunately, SEOLS avoided the need to take these measures thanks to the stable nature of property tax collections. Initially, we did have worries regarding our cash flow. With the courthouses closed, would citizens mail in their tax payments? Would property owners, feeling an economic crunch, have the money to make their tax payments? Mixing this unknown with the certainty that our services would be reduced for months, management cut several expenses in the spring. The FY 2021 budget considered in May included extremely conservative estimates including a reduction in ad valorem collections.

Fortunately, for FY 2020 SEOLS received all of its budgeted ad valorem. Now the question that remains is how the pandemic will affect FY 2021 and beyond. We expect several corporations to protest their property taxes because of reduced business. We know of five such corporations in Pittsburg County that have already filed protests. I expect we will learn of more as we receive additional assessor's reports. It will prove prudent to expect collections to fall short of assessed valuations at least through the next two years.

Our banking accounts and investment balances increased from \$5,915,171 to \$5,978,970 from July 1, 2019 to July 1, 2020 despite two large expenses totaling over \$200,000 budgeted from reserves. Strong ad valorem collections in addition to pandemic induced hiring freeze and reduced operating expenses allowed our financial standing to grow. Seven years earlier, the July 1, 2014 balance of checking accounts and investments totaled \$4,619,490. This means our cash assets increased by \$1,359,000 in only seven years. The Board should keep this in mind as it considers the purchase of a bookmobile this fall and a capital replacement plan in the spring.

### **Revenue**

SEOLS receives the majority of its funding from a voter-approved millage levy (ad valorem tax). We currently receive 4 mills in each of our seven counties, which accounts for 95% of our income. Besides ad valorem funds, SEOLS' notable income types include state aid, fees and charges, and interest. We will typically receive minor revenues in the form of donations or grants that typically carry with them restrictions for use and must be spent within a specified timeframe.

### **Ad Valorem**

FY 2020 saw SEOLS' ad valorem collections grow for an astonishing 7<sup>th</sup> consecutive year, increasing from \$4,821,359 to \$5,042,549 (4.59%). And despite concerns regarding cash flow, we exceeded budget projections by \$48,000 (0.96%).

Even Latimer County, whose collections have often decreased over the past years, grew by 2.81%. The largest growth came in Coal County, whose collections increased by 12.75% (\$50,379). Choctaw, Haskell and McCurtain all saw strong growth above 6%.

Over the coming years we will observe what affect, if any, the pandemic will have on our collections. It seems only natural that some business properties will decrease in value, but how

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\*Numbers used reflect our CPA's end-of-year work and not any additional adjustments made by our auditor.

many and how far ranging that will affect other valuations remains to be seen. Conservative budgeting that anticipates successful protests by corporations should be practiced.

#### Fiscal Year 2019 to Fiscal Year 2020 Ad Valorem Comparison

	FY 2019	FY 2020	Variance	
	Amount Received	Amount Received	\$	%
Choctaw	\$292,177.29	\$311,147.08	\$18,969.79	6.49%
Coal	\$395,278.11	\$445,657.03	\$50,378.92	12.75%
Haskell	\$259,788.30	\$282,096.56	\$22,308.26	8.59%
Latimer	\$245,757.98	\$252,671.95	\$6,913.97	2.81%
LeFlore	\$1,029,590.95	\$1,077,135.04	\$47,544.09	4.62%
McCurtain	\$965,588.53	\$1,024,496.69	\$58,908.16	6.10%
Pittsburg	\$1,633,177.69	\$1,649,344.62	\$16,166.93	0.99%
Total	<b>\$4,821,358.85</b>	<b>\$5,042,548.97</b>	<b>\$221,190.12</b>	<b>4.59%</b>

#### State Aid Grant

All Oklahoma public libraries that meet the public hours and service requirements of the Oklahoma Department of Libraries (ODL) receive state aid grants each year. The money ODL uses to fund these grants comes from a combination of state appropriations and funds received from the Institute of Museum and Library Services (IMLS). ODL then distributes these funds based upon a formula using population and community size. State aid grant money cannot be spent on capital improvements or replacements, and annually we must report what we used the money for. SEOLS used its FY 2020 state aid (\$92,626) to purchase online databases.

Unsure of how the pandemic will affect state appropriations for FY 2021 state aid, the budget the Board approved for the current year anticipated a 50% cut in state aid and we have cut several of our databases as FY 2021 started in response.

#### Fees and Charges

Fees and charges encompasses anything for which we could charge customers, from overdue fines to copy charges. Although a relatively small portion of our budget, these fees indicate quite a bit of activity when you consider how many 10 cent copies it takes to get into thousands of dollars. Many people do not realize the volume of faxing we do for the public either; in our rural areas, home health care providers who must fax their reports have nowhere else to go. We have seen a steady decline in fees and charges of \$4,000-\$5,000 annually over several years as the world goes more digital, and expect that trend to continue when the world returns to normal.

For Fiscal Year 2020, the pandemic and subsequent library closures resulted in our taking in nearly \$20,000 less than we budgeted for fees and charges. In Fiscal Year 2021, we will probably take in even less as reduced hours and intermittent closings will greatly limit how much we collect.

#### Interest

In the past two years CD rates had finally become readily available above 2%. Our interest income therefore performed very well in FY 2020. Unfortunately for us and all investors, the pandemic has decimated interest rates. In the spring we cashed some of our CDs instead of renewing them



because our money market account will yield a greater value. Do not be surprised if we elect to move more money into our money market accounts as CDs expire in FY 2021. Administrative Manager Rhonda Tidwell is excellent at asking local banks to match or offer better rates than competitors, but the number of CDs available at competitive rates will be extremely limited.

#### Grants and Donations

We received far fewer grants and donations than anticipated because of the pandemic. In one instance, we received approximately \$3,000 for a census grant that we had to return because we could not keep our commitments due to closures and service restrictions. We expect to receive very few grants or donations in FY 2021.

#### **Expenses**

The pandemic forced SEOLS to reduce spending. Closures and the reductions in services eliminated the need for many expenses. Cancelled professional conferences saved the organization thousands of dollars, and elimination of in-person programs resulted in nearly \$20,000 being saved in cancelled summer reading performers.

#### Payroll Expenses

Once we realized how long we would have to operate with reduced hours and services, we made the decision to only hire when absolutely necessary. We therefore did not replace a handful of positions that became vacant in the spring. We have not eliminated those positions, but we as yet have no timeline for filling them.

We realized other savings with payroll tax credits created under the Families First Corona Response Act. When an employee takes time off under the act's provisions, we receive payroll tax credits totaling 66-100% of their wages. Although we have had only a handful of employees utilize these provisions, they resulted in several thousands in savings.

#### Public and Technical Services

The largest part of our special programs budget goes toward paid performers for summer reading. We knew by early April that we would not be offering live programs during the summer. Thankfully, all the performers with whom we had signed or were about to sign contracts allowed us to cancel performances without penalty. This saved nearly \$20,000.

#### Operating Expenses

The pandemic eliminated almost all travel for staff and board alike beginning in March, saving us \$34,000 in expected expenses for meetings, trainings, workshops and conferences. We also saved several thousands of dollars with conservative budgeting of postage, Internet services, and computer equipment. This allowed us to focus on our rebranding efforts without going over budget.

#### Informational Materials Expenses

When we shuttered libraries because of the pandemic, I ordered an increase in the purchase of downloadable materials. The usage of these collections increased by 40% during April and May. We anticipate many customers to transition completely to digital reading moving forward, so increased funds for downloadable content was included as part of the FY 2021 budget.

## **FY 2021**

This new fiscal year our top priority must be addressing matters of county equity. We should address not only the concerns of the Coal County commissioners that we have heard, must look ahead and consider policies and procedures that will ensure counties receive a reasonable return on their tax payers' investments. In order to do this with a balanced budget, we will have to look at strategic reductions in counties consuming more than they receive and include processes to continue monitoring this annually.

The purchase of a bookmobile, which the Board will consider in its September meeting, would allow SEOLS to increase service as needed in each county. If approved, it will also require much preparation including securing a storage location, hiring a staff, establishing stop locations, and building a collection. If successful, the Board could find itself considering the addition of a second bookmobile within a few years.

The effects of the COVID-19 pandemic will continue to evolve and require us to adapt quickly and often. Long range planning will have to evolve to keep up with such a fast paced world. The only thing certain is that our services will be reduced most of, if not the entire, year. We expect the lone exception to come in the use of our downloadable content, especially as we partner more and more with schools to issue library cards, potential for great growth exists.

We have received two of our county assessor's reports at the time of this writing, and those two reports show strong growth in our ad valorem collections. I doubt each of our counties' reports will reflect such growth, but we have much hope that the effect of the pandemic on our income either has not hit yet or that it will be smaller than we feared. Still, cautious budgeting should be employed while we make plans to continue our growth.

## **Summary**

Financially, we had a great FY 2020. We came in far under budget and saw our net position grow despite the economic hardships that hit so much of the country. We have quietly counted our blessings. Our services did not escape so successfully, however. With all libraries closed at least a month, then with limited services since, circulation, programs and all other key indicators plummeted. Normally this would cause us concern, but every business and governmental entity has experienced the same.

We experienced major growth in staffing. We successfully recruited a new Technical Services Librarian, implemented full-time human resources, and replaced our long-time Spiro manager. Once the pandemic hit, we identified talented individuals and reassigned them with duties designed to lead us through these trying times.

If we can navigate the challenges of establishing county equity, the future shines for SEOLS. Over the next year we will have the opportunity to establish new service techniques while increasing our knowledge and skills in preparation of a return to normalcy. Libraries should begin receiving facelifts bring appearances in line with our expectations of a 21<sup>st</sup> century library. I look forward to the opportunity and challenges that lie ahead.



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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Southeast Oklahoma Library System  
McAlester, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the discretely presented component units of the Southeast Oklahoma Library System (formerly Southeastern Public Library System of Oklahoma), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the discretely presented component units of the Southeast Oklahoma Library System, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-1 thru A-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Budgetary Comparison Schedule on pages 20-21 and the Notes to the Required Supplementary Information on page 22 are also presented according to Governmental Accounting Standards Board requirements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule and Notes to the RSI are fairly stated in all material respects in relation to the basic financial statements as a whole.

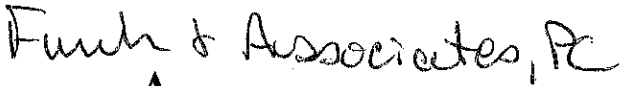
#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The combining nonmajor fund financial statements and grant schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the grant schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the grant schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2020, on our consideration of the Southeast Oklahoma Library System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

  
FURRH & ASSOCIATES, PC  
Lawton, Oklahoma  
August 21, 2020

# **Southeast Oklahoma Library System**

**McAlester, Oklahoma**

## **Statement of Net Position**

**June 30, 2020**

### **Current Assets**

Cash and Cash Equivalents	\$ 4,912,747
Investments	5,547,963
Ad Valorem Tax Receivable	84,182
Accounts Receivable	3,864
Prepaid Assets	<u>117,731</u>

Total Current Assets \$ 10,666,487

### **Other Assets**

Fixed Assets, Net of Accum Depr.	<u>302,280</u>
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Total Other Assets 302,280

**Total Assets** \$ 10,968,767

### **Liabilities**

Compensated Absences Liability	\$ 185,096
Accrued Salaries	68,938
Accounts Payable	38,291
Payroll Tax Liabilities	<u>5,682</u>

Total Liabilities \$ 298,007

### **Net Position**

Invested in Capital Assets, Net of Debt	302,280
Restricted	1,344,564
Unrestricted	<u>9,023,916</u>

Total Net Position 10,670,760

**Total Net Position and Liabilities** \$ 10,968,767

Please see accompanying notes to the financial statements.

# Southeast Oklahoma Library System

## McAlester, Oklahoma

### Statement of Activities Year Ended June 30, 2020

	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
	Charges for		Operating Grants and Contributions	Primary Government		
	Expenses	Services		Governmental Activities	Business Type Activities	Total
<b>Primary Government</b>						
Governmental Activities:						
Operating Expenses	\$ 1,279,373	\$ 65,426	\$ 0	\$ (1,213,947)	\$ 0	\$ (1,213,947)
Personnel Services	3,646,359	0	0	(3,646,359)	0	(3,646,359)
Informational Materials	783,479	0	4,324	(779,155)	0	(779,155)
Public & Technical Services	177,778	0	0	(177,778)	0	(177,778)
Total Governmental Activities	\$ 5,886,989	\$ 65,426	\$ 4,324	\$ (5,817,239)	\$ 0	\$ (5,817,239)
<b>General Revenue</b>						
Ad Valorem Tax				5,042,549	0	5,042,549
Pension Income				611,823	0	611,823
Investment Income				150,742	0	150,742
Insurance Proceeds				118,000	0	118,000
State Aid				92,626	0	92,626
Donations				29,148	0	29,148
Miscellaneous				17,004	0	17,004
Surplus Sales				1,509	0	1,509
Total General Revenue				6,063,401	0	6,063,401
Change in Net Position				246,162	0	246,162
Net Position, June 30, 2019				10,424,598	0	10,424,598
Net Position, June 30, 2020				\$ 10,670,760	\$ 0	\$ 10,670,760

Please see accompanying notes to the financial statements.

# **Southeast Oklahoma Library System**

**McAlester, Oklahoma**

## **Balance Sheet**

**Governmental Funds**

**June 30, 2020**

	<b>General Fund</b>	<b>Pension Fund</b>	<b>Total Governmental Funds</b>
<b><u>Assets</u></b>			
Cash in Bank - Operating Account	\$ 529,905	\$ 0	\$ 529,905
Cash in Bank - Sweep Account	4,382,842	0	4,382,842
Investments	1,102,166	4,445,797	5,547,963
Ad Valorem Tax Receivable	84,182	0	84,182
Accounts Receivable	3,864	0	3,864
Prepaid Assets	117,731	0	117,731
Fixed Assets	1,695,837	0	1,695,837
Accumulated Depreciation	(1,695,837)	0	(1,695,837)
Total Assets	<u>\$ 6,220,690</u>	<u>\$ 4,445,797</u>	<u>\$ 10,666,487</u>
<b><u>Liabilities</u></b>			
Compensated Absences Liability	\$ 185,096	\$ 0	\$ 185,096
Accrued Salaries	68,938	0	68,938
Accounts Payable	38,291	0	38,291
Payroll Tax Liabilities	5,682	0	5,682
Total Liabilities	<u>298,007</u>	<u>0</u>	<u>298,007</u>
<b><u>Fund Balance</u></b>			
Nonspendable	216,003	4,445,797	4,661,800
Restricted	31,627	0	31,627
Committed	1,312,937	0	1,312,937
Assigned	268,000	0	268,000
Unassigned	4,094,116	0	4,094,116
Total Fund Balance	<u>5,922,683</u>	<u>4,445,797</u>	<u>10,368,480</u>
Total Liabilities and Fund Balance	<u>\$ 6,220,690</u>	<u>\$ 4,445,797</u>	

Please see accompanying notes to the financial statements.



**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

Fund Balances

Amounts Reported for Governmental Activities in the  
Statement of Net Position are different because:

Capital Assets Used by Governmental Activities of \$1,695,837  
Net of Accumulated Depreciation of \$1,393,557 are not financial  
resources and, therefore, are not reported in the funds

302,280

Net Position of Governmental Activities

\$ 10,670,760

Please see accompanying notes to the financial statements.

**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2020**

	<b>General Fund</b>	<b>Pension Fund</b>	<b>Total Governmental Funds</b>
<b><u>Revenue</u></b>			
Ad Valorem Tax Revenue	\$ 5,042,549	\$ 0	\$ 5,042,549
Insurance Proceeds	118,000	0	118,000
State Aid	92,626	0	92,626
Branch Library Income	65,426	0	65,426
Investment Income	60,672	90,070	150,742
Donations	29,148	0	29,148
Miscellaneous Revenue	17,004	0	17,004
Grant Income	4,324	0	4,324
Surplus Sales	1,509	0	1,509
Employee (er) Contributions	0	611,823	611,823
Total Revenue	5,431,258	701,893	6,133,151
<b><u>Expenditures</u></b>			
Personnel Services			
Salaries and Wages	2,529,015	0	2,529,015
Retirement Costs	492,852	0	492,852
Employee Insurance	425,614	0	425,614
Payroll Taxes	198,878	0	198,878
Total Personnel Services	3,646,359	0	3,646,359
Informational Materials			
Branch Information Materials	398,031	0	398,031
Databases	211,093	0	211,093
Downloadables	144,515	0	144,515
Grant and Donation Expenses	29,840	0	29,840
Total Informational Materials	783,479	0	783,479
Public and Technical Services			
Technical Services	140,000	0	140,000
Program Fees, Supplies & Travel	37,778	0	37,778
Total Public & Technical Services	177,778	0	177,778

Please see accompanying notes to the financial statements.

**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2020**

<u><b>Expenditures (cont.)</b></u>	<u><b>General Fund</b></u>	<u><b>Nonmajor Governmental Funds</b></u>	<u><b>Total Governmental Funds</b></u>
Operating Expenses			
Revaluation Fees	\$ 98,395	\$ 0	\$ 98,395
Capital Outlay	89,447	0	89,447
Professional Fees	77,076	3,163	80,239
Equipment Expense	71,555	0	71,555
Automation	65,438	0	65,438
Insurance	60,281	0	60,281
Telephone and Internet	48,125	0	48,125
Supplies	45,785	0	45,785
Marketing	38,040	0	38,040
Computer Expense	33,596	0	33,596
Human Resources Expense	31,349	0	31,349
Travel	29,518	0	29,518
Audit Expense	17,318	0	17,318
Vehicle Expense	13,102	0	13,102
Professional Development	11,308	0	11,308
Postage and Freight	6,702	0	6,702
Memberships	5,244	0	5,244
Utilities	4,570	0	4,570
Miscellaneous Expense	1,762	0	1,762
Furniture Expense	1,007	0	1,007
Withdrawals / Distributions	0	464,956	464,956
Total Operating Expenses	<u>749,618</u>	<u>468,119</u>	<u>1,217,737</u>
Total Expenditures	5,357,234	468,119	5,825,353
Revenue Over (Under) Expenditures	74,024	233,774	307,798
Fund Balance, June 30, 2019	<u>5,848,659</u>	<u>4,212,023</u>	<u>10,060,682</u>
Fund Balance, June 30, 2020	<u>\$ 5,922,683</u>	<u>\$ 4,445,797</u>	<u>\$ 10,368,480</u>

Please see accompanying notes to the financial statements.

# **Southeast Oklahoma Library System**

**McAlester, Oklahoma**

**Notes to Financial Statements**

**Year Ended June 30, 2020**

## **Note 1 – Summary of Significant Accounting Policies**

The Southeast Oklahoma Library System (the System, formerly Southeastern Public Library System of Oklahoma) is a multi-county quasi-governmental organization under Title 65 (Multi-County Act) of the Oklahoma Statutes. The System was established in the late 1960's when four counties voted to approve ad valorem taxes to support the multi-county library system. Today, the System has fifteen (15) libraries operating in seven (7) counties. The System is governed by a board of trustees who are appointed by the city and county commissioners for the respective communities or counties they represent. The following counties are represented: Choctaw, Coal, Haskell, Latimer, LeFlore, McCurtain and Pittsburgh. The following cities are represented: Arkoma, Broken Bow, Coalgate, Hartshorne, Heavener, Hugo, Idabel, McAlester, Poteau, Spiro, Stigler, Talihina, Valliant, Wilburton, and Wister.

For financial reporting purposes, the System includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the System's executive or legislative branches. Control by or dependence on the System was determined on the basis of oversight responsibility, scope of public service, and special financing relationships. Oversight responsibility includes financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The Southeast Oklahoma Library System keeps its records and prepares its financial statements on the accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available.) "Measurable" means the amount of the transaction can be determined; and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Purchases of all materials and supplies are charged to operations in the period in which purchases are made. Amounts of inventories on hand are not considered material and are not included in the financial statements.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The System is a multi-county quasi-governmental organization under the laws of the State of Oklahoma. As a library system (a political sub-division of the State of Oklahoma), the System is exempt from federal and state income taxes.

# **Southeast Oklahoma Library System**

**McAlester, Oklahoma**

**Notes to Financial Statements**

**Year Ended June 30, 2020**

## **Note 2 – Fund Accounting**

The accounts of the System are organized on a basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the financial statements and are classified as governmental, proprietary, and fiduciary fund types. The following fund types are used by the System.

### **Governmental Fund Types**

General Fund – The general fund is the primary operating fund of the System. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in the general fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue resources that are legally or administratively restricted to expenditures for specific purposes. The System's current special revenue fund include:

#### **Pension Fund**

According to GASB 54, fund balances in the Governmental Funds are to be properly reported within one of the fund balance categories below:

1. Nonspendable – Nonspendable funds are associated with inventories, prepaid assets, and long-term receivables.
2. Restricted – Restricted funds are associated with amounts that only can be spent for specific purposes as stipulated by the bylaws, granting agencies, or enabling legislation.
3. Committed – Committed funds are associated with amounts that only can be spent for specific purposes as determined by a formal action of the Board of Trustees.
4. Assigned – Assigned funds are associated with amounts that can be spent for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – An unassigned fund is the residual classification for the System's general fund and includes all spendable amounts not contained in the other classifications.

### **Proprietary Fund Types**

Enterprise Fund – The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises.

# **Southeast Oklahoma Library System**

## **McAlester, Oklahoma**

### **Notes to Financial Statements**

**Year Ended June 30, 2020**

Fund balances in the Proprietary Funds are to be properly reported within one of the fund balance categories listed below:

1. Invested in Capital Assets, Net of Related Debt – These funds are associated with capital assets minus any notes payable.
2. Restricted – Restricted funds are associated with amounts that only can be spent for specific purposes.
3. Unrestricted – An unrestricted fund is the residual classification for the System's enterprise fund and includes all amounts not contained in the other classifications.

#### **Note 3 – Budgetary Accounting**

The System's budgetary accounting procedures are discussed in the notes to the required supplementary information.

#### **Note 4 – Cash and Cash Equivalents**

Cash and cash equivalents include the following accounts:

The Bank - Money Market Account	\$ 4,382,842
The Bank - Operating Account	<u>529,905</u>
	<u>\$ 4,912,747</u>

The cash on deposit with The Bank, is not only covered by FDIC insurance (up to \$250,000) but also a collateral pledge of \$5,350,000 to cover deposits in excess of the FDIC coverage.

The System's cash, deposits, and investments are classified in the following categories:

- A. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- B. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- C. Uncollateralized.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>Total</u>
Cash	<u>\$ 4,912,747</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,912,747</u>

**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 5 – Investments**

The System invests \$1,102,166 in Certificate of Deposits at the multiple banks. The interest rates vary from 0.70% to 2.10%. The interest pays on various schedules that range from monthly to maturity. The maturity dates range from 49 days to 6.5 months.

**Note 6 – Ad Valorem Taxes Receivable**

Multiple counties owe the System outstanding ad valorem taxes. As of June 30, 2020, the amount owed is \$84,182. These funds are expected to pay within the next 12 months.

**Note 7 – Prepaid Assets**

Prepaid assets include the unamortized portion of the annual expense for the following:

Prepaid Online Information	\$ 37,412
Prepaid Downloadable Materials	34,642
Prepaid Insurance	18,419
Prepaid Automation	16,427
Prepaid Computer Equipment & Software	8,960
Prepaid Branch Informational Materials	651
Prepaid Air Medicare	629
Prepaid T-Mobile	591
	<u>\$ 117,731</u>

**Note 8 – Fixed Assets**

All capital assets acquired prior to June 30, 2004 were considered to be fully depreciated. All fixed assets acquired before June 30, 2004 were valued at historical cost or estimated historical cost if actual historical cost was not available. Amounts were recorded for fixed asset purchases, for control purposes, with a corresponding amount recorded in the accumulated depreciation account. Donated assets were valued at their estimated fair market value as of the date donated.

Current year changes in fixed assets were as follows:

	Property, Plant and Equipment	Accumulated Depreciation
Balance as of 07/01/2019	\$ 2,352,788	\$ 1,988,872
Additions	35,142	96,778
Disposals	(692,093)	(692,093)
Balance as of 06/30/2020	<u>\$ 1,695,837</u>	<u>\$ 1,393,557</u>

**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 9 – Accrued Payroll and Compensated Absences**

The System accrues a payroll liability and a liability for vacation pay or other compensated absences. The cost is recognized when a claim is made for the accrued compensation by the employee. The amount of earned unpaid payroll and earned unpaid compensated absences liability at June 30, 2020 was approximately \$68,938 and \$185,096, respectively.

**Note 10 – Assigned Fund Balance**

The governing board has set aside a portion of the fund balance for replacement reserve accounts. The assigned fund balances for these purposes as of June 30, 2020 were as follows:

Vehicle Replacement	\$ 268,000
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These restrictions are imposed by the Board of Trustees action only; consequently, the restrictions may be rescinded by action of the Board.

**Note 11 – Committed Fund Balance**

The governing board has implemented a new cash management policy that commits 3 months of operating expenses. The committed fund balance for this purpose as of June 30, 2020 was \$1,312,937. This policy was implemented by the Board of Trustees action only; consequently, the policy may be rescinded by action of the Board.

**Note 12 – Tax Revenues – Economic Dependency**

Approximately 92.8% of the total revenue of the library system for the current year was received from ad valorem taxes from a special tax levy voted by the citizens of Choctaw, Coal, Haskell, Latimer, LeFlore, McCurtain, and Pittsburg counties. Approximately 62.6% of the ad valorem tax revenues were received in January and February 2020. Any change in Oklahoma statutes regarding library tax levies or changes in state funding might affect the System's operations.

Ad Valorem Tax Revenue	
Pittsburg County	\$ 1,649,345
LeFlore County	1,077,135
McCurtain County	1,024,497
Coal County	445,657
Choctaw County	311,147
Haskell County	282,096
Latimer County	252,672
	<u>\$ 5,042,549</u>



**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 13 – Risk Management - Insurance Coverage**

The System is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The System maintains the following insurance coverage as protection against possible loss contingencies:

- Commercial Automobile Coverage
  - Liability
  - Uninsured Motorists
  - Comprehensive and Collision
- Commercial Package
- Employment Practices Liability
- Workers Compensation
- Employer Liability
- Position Fidelity Bond

**Note 14 – Grant Revenues**

Following is a summary of the grant receipts and disbursements during the year:

	Grant Receipts	Grant Expenditures
OK Department Of Libraries	3,324	423
Wal-Mart	1,000	1,000
Carolyn Watson Rural OK Grant	\$ 0	12,000
Oklahoma Humanities Council	0	3,000
Total	<u>\$ 4,324</u>	<u>\$ 16,423</u>

**Note 15 – Pension Plan**

Effective January 1, 1989, the System initiated a pension plan for its employees. The plan type was revised effective January 1, 2003 to become a 401(k) plan. The library system is the trustee for the plan. The plan eligibility requirements are as follows: minimum age of 18 and minimum service of 500 hours in 6 consecutive months.

For each eligible participant, a discretionary contribution is made equal to a uniform percentage of each participant's compensation. The exact percentage, if any, is to be determined each year by the library system. For fiscal year ending June 30, 2020, the library system budgeted approximately 15.2% of the annual payroll costs.

# **Southeast Oklahoma Library System**

**McAlester, Oklahoma**

**Notes to Financial Statements**

**Year Ended June 30, 2020**

Employee contributions are not required. The plan contributions are invested in individual accounts on behalf of the employees. All required contributions were made by the library system. Benefits to be paid to employees upon retirement will be limited to the actual cash value of their individual accounts.

Contributions and costs for the current year and two previous years were as follows:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Employee Contributions	\$ 107,650	\$ 87,414	\$ 83,334
Employer Contributions	504,172	328,806	310,955
Administration Costs	<u>3,163</u>	<u>4,513</u>	<u>2,943</u>
Total	<u>\$ 614,986</u>	<u>\$ 420,733</u>	<u>\$ 397,232</u>

Employer contribution of \$504,172 represents approximately 18.5% of the total payroll of \$2,727,893 for the fiscal year ending June 30, 2020.

Plan assets as of June 30, 2020 were \$4,445,797.

The plan is administered by:

Midwest Pension & Profit-Sharing Services, Inc.  
121 South 8<sup>th</sup> Street, Suite 630  
Minneapolis, MN 55402

The plan funds are maintained by:

Mass Mutual  
1295 State Street  
Springfield, MA 01111

## **Note 16 – Related Party Transactions**

The cities of Choctaw, Coal, Haskell, Latimer, LeFlore, McCurtain, and Pittsburg, Oklahoma, provide financial support to the Southeast Oklahoma Library System by furnishing buildings and building operating expenses, including utilities and building and contents insurance, for the operation of the library. The System is dependent upon this related party support as part of its operational costs.

**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Notes to Financial Statements**  
**Year Ended June 30, 2020**

**Note 17 – Contingencies**

In the normal course of operations, the System disburses funds from numerous federal and state grant programs. These expenditures are subject to audit and approval by the grantors or their representatives. Such audits could lead to claims for reimbursement of expenditures deemed unallowable under the terms of the grants. Presently, management is unaware of any liability for such expenditures, and in the opinion of management, any such amounts would not be considered material.

**Note 18 – Subsequent Events**

Subsequent events were evaluated through August 21, 2020, which is the date the financial statements were available to be issued.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Southeast Oklahoma Library System  
McAlester, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the Southeast Oklahoma Library System (formerly Southeastern Public Library System of Oklahoma), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Southeast Oklahoma Library System's basic financial statements, and have issued our report thereon dated August 21, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Southeast Oklahoma Library System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Southeast Oklahoma Library System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Furrh & Associates, PC*  
FURRH & ASSOCIATES, PC

Lawton, Oklahoma  
August 21, 2020

# Southeast Oklahoma Library System

## McAlester, Oklahoma

### General Fund

#### Statement of Revenue, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended June 30, 2020

	Budgeted Amounts			Actual		Variance with Final Budget
	Original	Final		Amounts	Positive (Negative)	
<b>Revenue</b>						
Ad Valorem Taxes	\$ 4,858,932	\$ 4,994,436	\$ 5,042,549	\$ 48,113		
State Aid	103,000	103,000	92,626	(10,374)		
Branch Library Income	85,270	85,270	65,426	(19,844)		
Interest Income	40,000	40,000	60,672	20,672		
Insurance Proceeds	0	118,900	118,000	(900)		
In-Kind Donations	0	30,000	13,665	(16,335)		
Donations	0	15,000	15,483	483		
Grant Income	0	10,000	4,324	(5,676)		
Surplus Sales	0	4,000	1,509	(2,491)		
Miscellaneous Income	0	4,000	17,004	13,004		
Total Revenue	5,087,202	5,404,606	5,431,258	26,652		
<b>Expenditures</b>						
Personnel Services						
Salaries and Wages	2,463,827	2,586,200	2,529,015	57,185		
Employee Insurance & Retirement	907,621	952,701	918,466	34,235		
Payroll Taxes	209,938	220,365	198,878	21,487		
Total Personnel Services	3,581,386	3,759,266	3,646,359	112,907		

Please see accompanying notes to the financial statements.

# Southeast Oklahoma Library System

## McAlester, Oklahoma

### General Fund

#### Statement of Revenue, Expenditures, and Changes in Fund Balance Budget and Actual Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Informational Materials				
Branch Information Materials	449,875	462,600	398,031	64,569
Databases	136,290	140,145	211,093	(70,948)
Downloads	101,139	104,000	144,515	(40,515)
Grant and Donation Expenses	4,862	5,000	29,840	(24,840)
Total Informational Materials	692,166	711,745	783,479	(71,734)
Public and Technical Services				
Technical Services	0	140,000	140,000	0
Programming Fees, Supplies & Travel	0	55,300	37,778	17,522
Total Public and Technical Services	0	195,300	177,778	17,522
Operating Expenses				
Revaluation	\$ 101,805	\$ 103,964	\$ 98,395	\$ 5,569
Professional Consulting	91,853	93,800	77,076	16,724
Equipment Expense	70,016	71,500	71,555	(55)
Computer	67,045	68,466	33,596	34,870
Automation	64,346	65,710	65,438	272
Travel	59,797	61,064	29,518	31,546
Insurance	59,677	60,942	60,281	661
Supplies	58,275	59,510	45,785	13,725

Please see accompanying notes to the financial statements.

# Southeast Oklahoma Library System

## McAlester, Oklahoma

### General Fund

#### Statement of Revenue, Expenditures, and Changes in Fund Balance

#### Budget and Actual

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Internet Access	49,942	51,000	48,125	2,875
In kind Expenses	29,377	30,000	0	30,000
Human Resources Expense	28,585	29,191	31,349	(2,158)
Utilities	22,754	23,236	4,570	18,666
Audit	16,961	17,320	17,318	2
Professional Development	14,801	15,115	11,308	3,807
Furniture Expense	14,689	15,000	1,007	13,993
Vehicle Expense	14,689	15,000	13,102	1,898
Capital Outlay	13,709	14,000	89,447	(75,447)
Marketing	13,269	13,550	38,040	(24,490)
Postage and Freight	11,964	12,218	6,702	5,516
Memberships	6,581	6,720	5,244	1,476
Miscellaneous Expense	3,515	3,589	1,762	1,827
Settlement Expenses	0	118,900	0	118,900
Total Operating Expenses	813,650	949,795	749,618	200,177
Total Expenditures	5,087,202	5,616,106	5,357,234	258,872
Revenue Over (Under) Expenditures	\$ 0	\$ (211,500)	\$ 74,024	\$ 285,524
Fund Balance, June 30, 2019	0	211,500	5,848,659	5,637,159
Fund Balance, June 30, 2020	\$ 0	\$ 0	\$ 5,922,683	\$ 5,922,683

Please see accompanying notes to the financial statements.



**Southeast Oklahoma Library System**  
**McAlester, Oklahoma**  
**Notes to Required Supplemental Information**  
**Year Ended June 30, 2020**

**Note 1 - Budgetary Policies**

The System's annual operating budget represents appropriations authorized by the governing board and approved by the county governments in accordance with the Oklahoma Statutes.

The System's General Fund budget is limited by law to 90% of the amount of revenue collected in the prior fiscal year plus unreserved fund balances. The legal level of control is the expenditure category. It is the System's policy that all appropriations lapse at the end of the fiscal year.

The System prepares an annual operating budget for its General Fund. The System does not prepare an operating budget for its Special Revenue Funds. Specific grant funds operated within the General Fund and the Special Revenue Funds are operated under budgets required by the grant documents. The System prepares its annual operating budget on the accrual basis of accounting.

# Southeast Oklahoma Library System

McAlester, OK

Carolyn Watson Rural Oklahoma Community Foundation

Revenue and Expenditures Compared with Budget

(Modified Cash Basis)

Year Ended June 30, 2020

<u>Revenue</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
Grant Funds	\$ 12,000	\$ 12,000	\$ 0	\$ 12,000	\$ 0
Cost Share Funds	1,475	0	497	497	978
Total Revenue	13,475	12,000	497	12,497	978
<u>Expenditures</u>					
Remodeling Expenses	5,600	0	0	0	5,600
Furniture and Equipment	7,875	0	12,497	12,497	(4,622)
Total Expenditures	13,475	0	12,497	12,497	978
Revenue Over (Under) Expenditures	\$ 0	\$ 12,000	\$ (12,000)	\$ 0	\$ 0

Contract Period: 05/01/2019 - 01/01/2019

Please see accompanying notes to the financial statements.

**Southeast Oklahoma Library System**  
**McAlester, OK**  
**OK Department of Libraries - Library Citizenship Corner**  
**Revenue and Expenditures Compared with Budget**  
**(Modified Cash Basis)**  
**Year Ended June 30, 2020**

<u>Revenue</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
Grant Funds	\$ 1,987	\$ 1,987	\$ 0	\$ 1,987	\$ 0
Total Revenue	1,987	1,987	0	1,987	0
<u>Expenditures</u>					
Personnel	540	540	0	540	0
Materials	1,447	1,248	199	1,447	0
Total Expenditures	1,987	1,788	199	1,987	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 199</u>	<u>\$ (199)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Contract No.: F-19-217  
Project : Immigration and Citizenship Services  
LSTA Project #: 180477  
Contract Period: 05/01/2019 - 08/31/2019

Please see accompanying notes to the financial statements.

# Southeast Oklahoma Library System

McAlester, OK

Oklahoma Humanities Council - Let's Talk About It  
Revenue and Expenditures Compared with Budget

(Modified Cash Basis)

Year Ended June 30, 2020

<u>Revenue</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
State Grant	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000	\$ 0
Cost Share Funds	2,050	0	2,063	2,063	(13)
In-kind Donations	300	0	0	0	300
Total Revenue	3,350	1,000	2,063	3,063	287
<u>Expenditures</u>					
Administration	1,600	0	1,594	1,594	6
Honoraria	1,000	0	1,000	1,000	0
Supplies	350	0	69	69	281
Facilities	250	0	250	250	0
Publicity	150	0	150	150	0
Total Expenditures	3,350	0	3,063	3,063	287
Revenue Over (Under) Expenditures	\$ 0	\$ 1,000	\$ (1,000)	\$ 0	\$ 0

Project No.: Y19.067

Fall 2019 Oklahoma Private Investigations: Hard-Boiled and Soft-Hearted Heros

Contract Period: 05/06/2019 - 11/30/2019

Please see accompanying notes to the financial statements.

# Southeast Oklahoma Library System

## McAlester, OK

### Oklahoma Humanities Council - Let's Talk About It Revenue and Expenditures Compared with Budget

(Modified Cash Basis)

Year Ended June 30, 2020

<u>Revenue</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
State Grant	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000	\$ 0
Cost Share Funds	2,050	0	2,012	2,012	38
In-kind Donations	300	0	375	375	(75)
Total Revenue	3,350	1,000	2,387	3,387	(37)
<u>Expenditures</u>					
Administration	1,600	0	1,974	1,974	(374)
Honoraria	1,000	0	1,000	1,000	0
Supplies	350	0	78	78	272
Facilities	250	0	250	250	0
Publicity	150	0	85	85	65
Total Expenditures	3,350	0	3,387	3,387	(37)
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Project No.: Y19.065  
Fall 2019 McAlester Myth and Literature  
Contract Period: 04/23/2019 - 11/30/2019

Please see accompanying notes to the financial statements.

# Southeast Oklahoma Library System

## McAlester, OK

Oklahoma Humanities Council - Let's Talk About It  
Revenue and Expenditures Compared with Budget  
(Modified Cash Basis)  
Year Ended June 30, 2020

<u>Revenue</u>	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
State Grant	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000	\$ 0
Cost Share Funds	2,550	0	2,330	2,330	220
In-kind Donations	0	0	220	220	(220)
Total Revenue	3,550	1,000	2,550	3,550	0
<u>Expenditures</u>					
Administration	1,600	0	1,600	1,600	0
Honoraria	1,200	0	1,200	1,200	0
Supplies	350	0	360	360	(10)
Facilities	250	0	250	250	0
Publicity	150	0	140	140	10
Total Expenditures	3,550	0	3,550	3,550	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Project No.: Y19.064  
Fall 2019 Wilburton Crime and Comedy  
Contract Period: 04/23/2019 - 11/30/2019

Please see accompanying notes to the financial statements.

**Southeast Oklahoma Library System**  
**McAlester, OK**  
**Oklahoma Department of Libraries**  
**Revenue and Expenditures Compared with Budget**  
**(Modified Cash Basis)**  
**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>			
State Grant	\$ 224	\$ 224	\$ 0
Total Revenue	224	224	0
<b><u>Expenditures</u></b>			
Expenses	224	224	0
Total Expenditures	224	224	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.

**Southeast Oklahoma Library System**  
**McAlester, OK**  
**Oklahoma Department of Libraries**  
**Revenue and Expenditures Compared with Budget**  
**(Modified Cash Basis)**  
**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>			
State Grant	\$ 3,100	\$ 0	\$ 3,100
Total Revenue	3,100	0	3,100
<b><u>Expenditures</u></b>			
Equipment	1,590	0	1,590
Travel	1,220	0	1,220
Publicity	200	0	200
Internet	90	0	90
Total Expenditures	3,100	0	3,100
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Due to Covid-19, these grant funds were refunded.

Please see accompanying notes to the financial statements.



**Southeast Oklahoma Library System**  
**McAlester, OK**  
**Wal-Mart Community Grants**  
**Revenue and Expenditures Compared with Budget**  
**(Modified Cash Basis)**  
**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>			
Grant Funds	\$ 1,000	\$ 1,000	\$ 0
Total Revenue	1,000	1,000	0
<b><u>Expenditures</u></b>			
Supplies	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenditures	1,000	1,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.